

California Economic Outlook

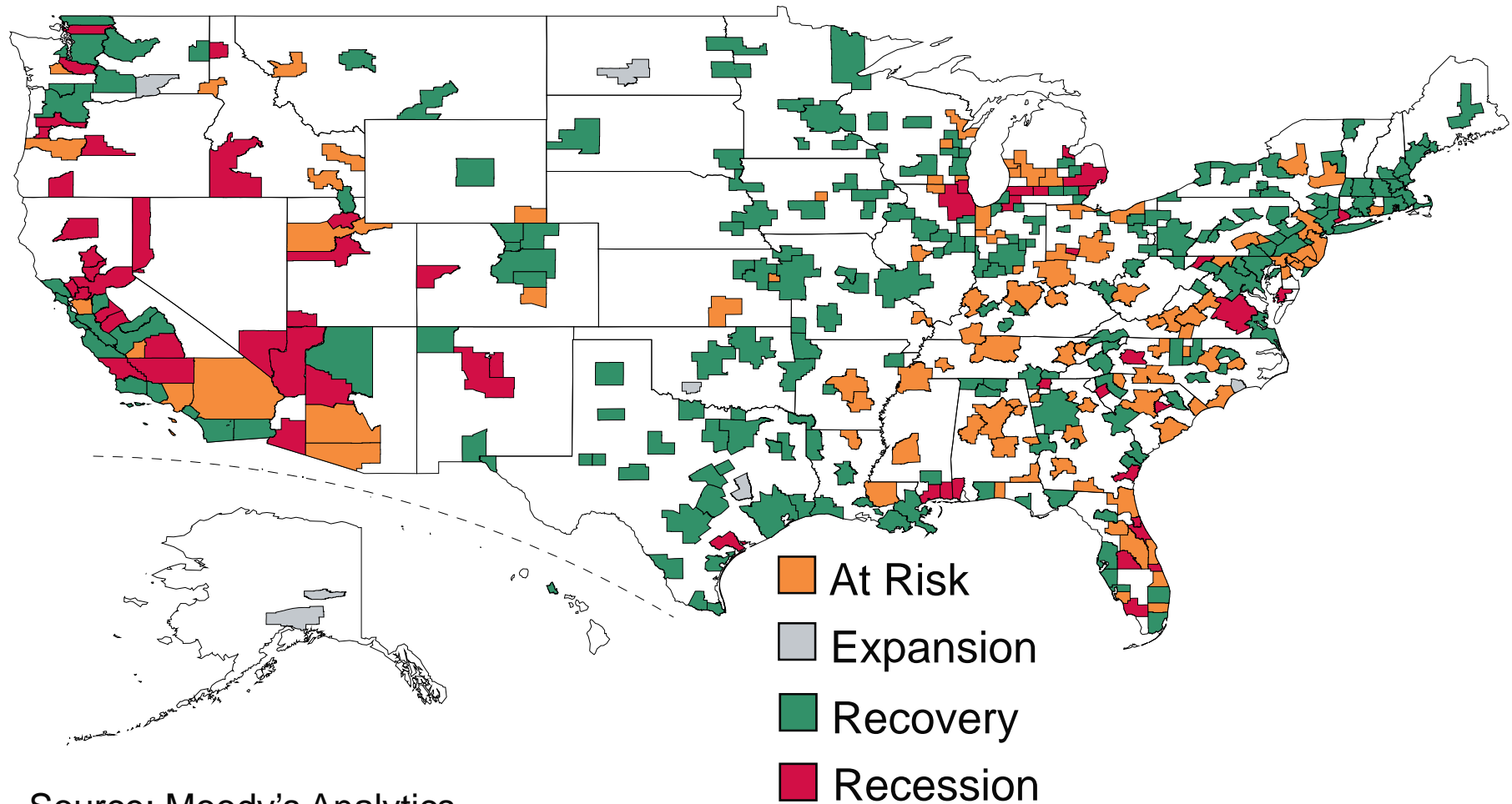
STEVE COCHRANE, MANAGING DIRECTOR

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Near-Term Outlook

Much of California Is Already Recovering

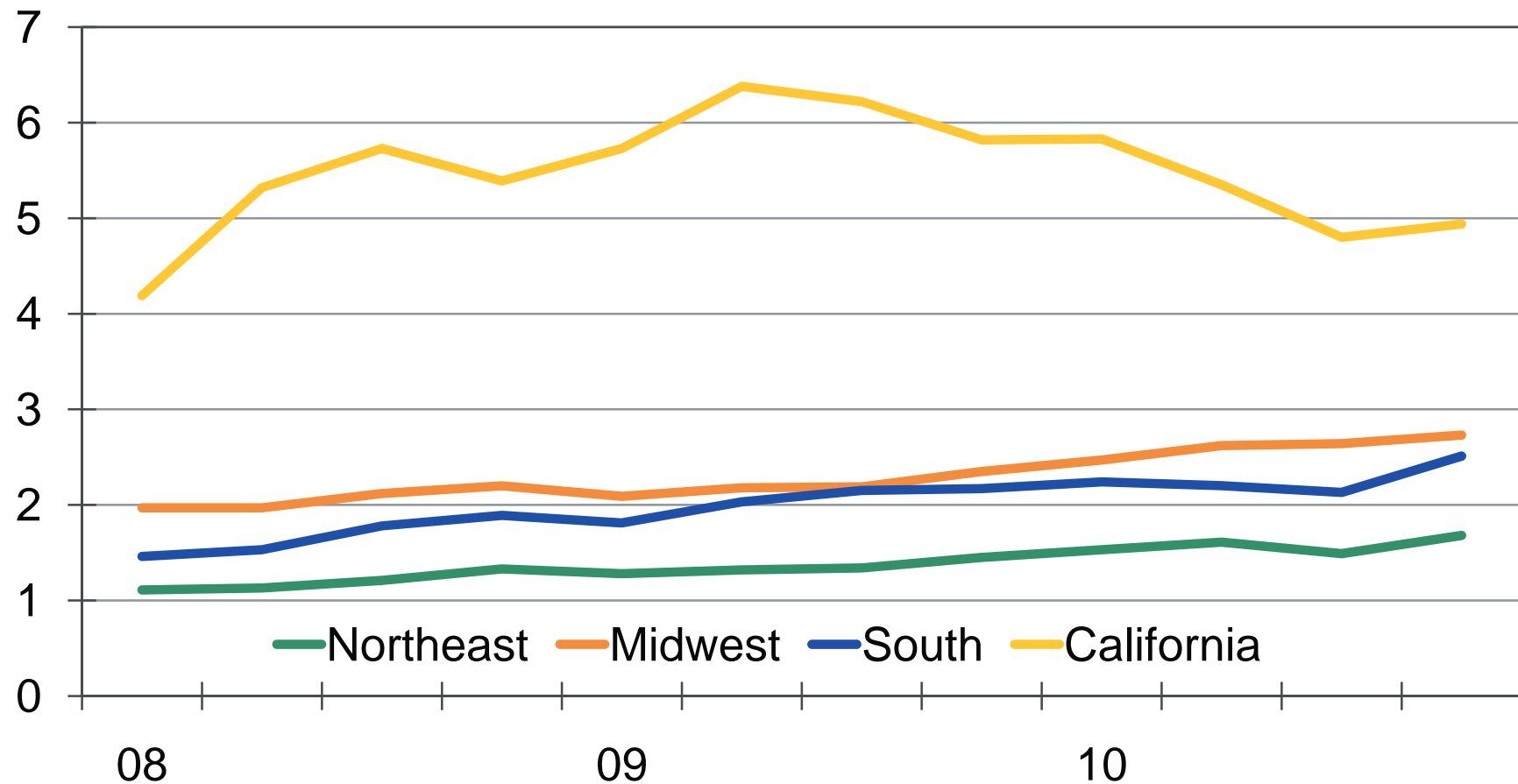
Business Cycle Indicator, metro areas, as of November 2010



Source: Moody's Analytics

California's Housing Foreclosures Are Daunting

Homes in foreclosure, % of owner-occupied housing stock



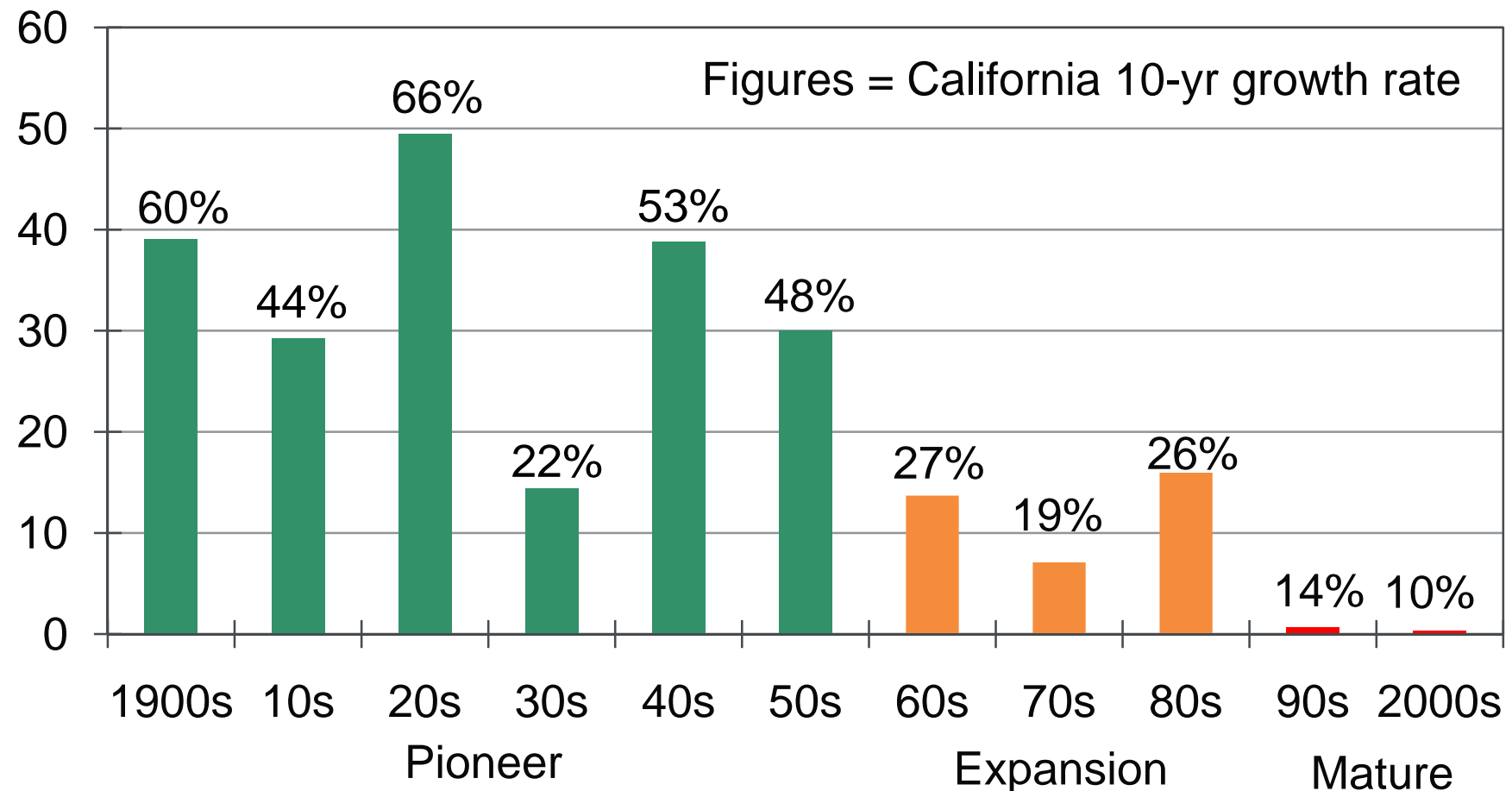
Sources: RealtyTrac, Census Bureau, Moody's Analytics

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Long-Term Outlook

California Population Growth Matures

10-yr population growth rate, ppt. difference from U.S., by decade

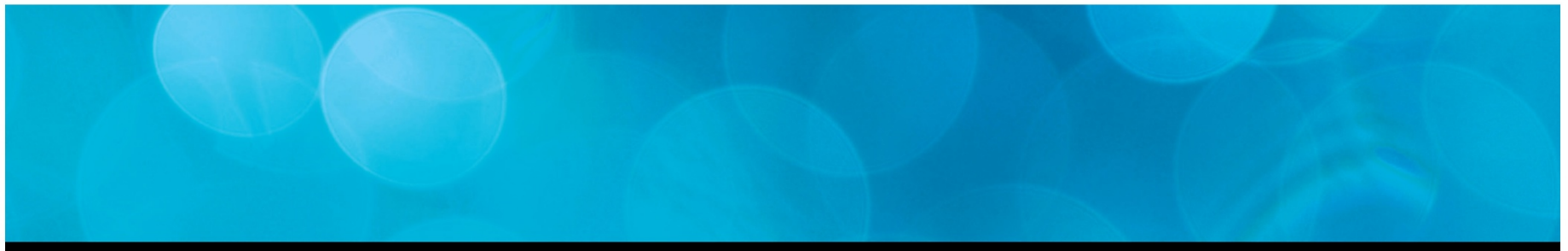


Source: U.S. Census Bureau, Moody's Analytics



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